

INFORMATION REPORT

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SUBJECT Views of Anti-Bao Dai Vietnamese on
Situation in Indochina

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1. There no longer appears to be any question of Bao Dai's repudiating the French, as he is well aware that he could not remain in power for any length of time after the withdrawal of French troops from Indochina. On the other hand, he desires as complete political and administrative independence as possible, including the admission of Viet Nam as a member of the United Nations, and the exchange of diplomatic representatives with other countries.
2. Bao Dai, as well as Prime Minister Tran Van Huu and most of the other members of the Cabinet, are primarily interested in making money, exploiting their positions to the fullest for their own personal benefit. When possible, funds so acquired are placed in France or other places outside Indochina. There is no trace of cleavage between Bao Dai and Tran Van Huu, and the latter seems to enjoy Bao Dai's full confidence.
3. Bao Dai and the members of his Cabinet are not trustworthy. It is certain that some of Bao Dai's ministers render clandestine service to the Viet Minh in order to ensure their safety should Ho Chi Minh gain control of the government.
4. It is a great mistake that Cochinchina, the wealthiest part of Indochina, which had been a French colony, should have been turned over to Bao Dai. Bao Dai and his ministers have been unsuccessful in organizing any sort of working government, either in Indochina or in France during their overlong stay. Their so-called cabinet meetings and negotiations are pure formality.

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CENTRAL INTELLIGENCE AGENCY

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5. Bao Dai is also to be blamed for exploiting the gambling instincts of the natives of Indochina by establishing numerous public gambling casinos from which he and his ministers derive enormous incomes. Tran Van Huu's daily share from the casinos, for example, amounts to 700,000 French francs (approximately US \$2,000).
6. There is no way of saving Indochina without American assistance in the form of Marshall Plan aid and military equipment. Because of the incompetence of Bao Dai in economic planning, however, the United States should follow closely every dollar expended and check on the destination of all merchandise supplied. In addition, the United States should insist on the installation of an administration of responsible and honest men, totally different from those now surrounding Bao Dai.
7. Ho Chi Minh is personally directing the activities of his government and of the Viet Minh, and there is no basis for reports of serious differences between him and his advisors. The entire political situation would have been changed, however, and the strength of his party broken, had a project of the French Army to infiltrate 50 commando-type soldiers last year to capture him and his staff last year been carried out successfully.
8. Viet Minh intelligence is able to penetrate Vietnamese activities because the Vietnamese, though backing Bao Dai, are so easily terrorized and so fearful of future reprisal, that they will not disclose any information of Viet Minh activities in French controlled territory. Several months ago, for example, a French train commuting twice daily between towns in a completely French controlled area was halted midway in its course by a group of Viet Minh soldiers. Nine Frenchmen on the train, most of them engineers or other technical personnel, were shot. None of the Vietnamese were disturbed. Investigation later brought to light the fact that the Viet Minh troops had camped at this particular spot for three days without having been reported to the French authorities by any of the native railroad employees.

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